

On motion of Mr. Givens, the House concurred in Senate Joint Resolution No. 2.

A motion to reconsider was tabled.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution No. 2, for the signature of the Speaker.

COOKE, *Clerk.*

SIGNED

The Speaker announced that he had signed the following: Senate Joint Resolution No. 2.

On motion of Mr. Givens, the House adjourned until 6:00 P.M. tomorrow.

TUESDAY, MARCH 15, 1966

SECOND DAY

The House met at 6:00 P.M. and was called to order by Mr. Speaker Barry.

The proceedings were opened with prayer by Reverend Bill Morris, Pastor, First Baptist Church, Dayton, Tennessee.

On motion, the roll call was dispensed with.

On motion, the reading of the Journal was dispensed with.

REPORT OF CHIEF ENGROSSING CLERK

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that I have carefully examined House Joint Resolution No. 1 and find same correctly engrossed and ready for transmission to the Senate.

MARY E. GORE,
Chief Engrossing Clerk.

On motion, the House recessed.

RECESS IN JOINT CONVENTION

The hour having arrived, set by Senate Joint Resolution No. 2—Relative to hearing Governor's message, the Senate appeared at the bar of the

House and was invited within and assigned seats.

The Joint Convention was called to order by Mr. President Maddux.

On motion, the roll call of the Senate and House were dispensed with.

Thereupon, Senate Joint Resolution No. 2 was read by the Clerk of the Senate.

On motion, a committee was appointed by Mr. President Maddux composed of Senators Holbrook, Nave, Snodgrass, and Representatives Givens, Bragg, and Bush to notify the Governor that the Joint Convention was in session and awaiting his arrival.

The Honorable Frank G. Clement, Governor, appeared at the bar of the House with the committee and was escorted to the dais of the House and he delivered the following message:

MR. PRESIDENT

MR. SPEAKER

LADIES and GENTLEMEN of the 84th TENNESSEE GENERAL ASSEMBLY

MY FELLOW TENNESSEANS:

This is one of the most important meetings of the law makers of Tennessee that any governor has ever been privileged to call together and to address.

In convening this extraordinary session of the 84th General Assembly of Tennessee, we are doing the *right thing*—

And we are doing it at the *right time*.

The actions that you ladies and gentlemen of the Assembly will consider under the special session call

go straight to the doorsteps of the *humblest homes* in Tennessee—
straight to the corridors of the *largest corporations*—
and straight to the seats of our *local governments*.

Every county in Tennessee is affected

And every citizen of this state is affected.

The urgency of the situation precluded any alternative to immediate action.

In the simplest of terms, here is what we are dealing with:

The setting into motion of legal steps which must be taken if all of

our citizens are to be treated fairly and equally in the future insofar as the payment of taxes is concerned.

Why must we do this?

The courts have held that the system by which your taxes—your taxes and my taxes—have been assessed for the past hundred years is in conflict with the Constitution of Tennessee.

Either the Constitution must be changed

Or the taxes on your home and my home . . . the taxes on your property and my property . . . must be assessed just like the taxes on the biggest railroad or public utility in Tennessee.

Let me point to the gravity of the situation in the words of Mr. Clifford Allen, Tax Assessor for Metropolitan Nashville and Davidson County, the second largest tax jurisdiction in this state.

Mr. Allen said, in a letter which he sent to me yesterday:

“Without this amendment, the federal and state courts will have no choice in the end but to order that the poorest home of a widowed mother—the meager tools and investment of the smallest business firm—the few acres of a struggling farmer—and the savings account that any family may have against a rainy day—shall be taxed at the same rate, each according to its value, as the holdings and property of a great railroad or a giant public utility. For that is what our state constitution and laws now say;—and the courts will have no choice but to order their enforcement in every city and county, unless they are changed.

“This is what the people and their lawmakers must somehow be made to understand, if we are to avoid the cruel and crushing tax load that will fall on thousands of our citizens.”

That is what we are here to do.

And let me add this point that there are some specific things we are *not* here to do:

We are *not* here to consider any increase in the sales tax or any other tax.

We are *not* here to consider any extension of the sales tax or any other tax.

We are *not* here to consider the enactment of a state income tax or any other new tax.

In short, we are *not* here to impose any additional tax burden of any kind on any citizen of this state.

We *are* here, however, to assert that we should be able to classify property on a basis so that the small home owner should not have to pay taxes on the same basis as the large, rich corporation, or the railroad, which is in a profit making business.

It is the place where you live that we are trying to protect.

Let me tell you what can happen if we do not take some action with regard to our Constitution.

Unless we can develop a legal means of classifying property for the purposes of taxation, the loss in income to local governments will be shifted to you individual taxpayers.

And it goes beyond just the taxes on your home.

The way the law now stands, you can be required to pay taxes assessed at the same rate as every corporation in Tennessee, on every piece of property that you own . . .

And that means the clothes on your back . . .

The carefully accumulated savings account in your bank . .

The dog that meets you at the door (and I'm not talking about a dog license . . . I'm talking about a tax on the assessed value of the dog)

Right on down to the little band of gold on the third finger, left hand of your wife.

I simply don't think the wage earners, the average income people of Tennessee, ought to have to absorb a multi-million dollar lick like that overnight.

And with your help, ladies and gentlemen of the General Assembly, they won't have to.

Now, lawyers and judges from all over the state, and from outside the state, are going to be debating the specifics of this question for months and years to come.

So I am not going to try to stand here this evening in the limited time available to me and tell you what laws we will have to write in the future or what laws will need to be repealed.

The journey through the courts and through future sessions of this General Assembly will be a long journey.

A great president so tragically taken from us not long ago was fond of quoting a proverb which said:

"Every journey must begin with a single step."

So must this journey begin with a single step, and that step is the amending of Article II, Section 28 of the Constitution of Tennessee, which says that the property of the little wage earner and the big corporation must be taxed just alike.

I am proposing that this part of the Constitution be changed so that we can tax property on a *classified* basis.

What do I mean by classified?

I mean simply that dwellings, houses, the place where you live, if you please, could be taxed on a fair and equal rate.

And that farm property could be taxed on a fair and equal rate.

And that utilities and corporations could be taxed on a fair and equal rate.

I hasten to add that we are acutely conscious of the magnificent strides that Tennessee has made in industrial development, and that I advocate only fair and equal treatment for all. We are not attempting to unjustly treat *any* taxpayer.

The classes of property and the rates of taxation would be decided by future sessions of this General Assembly.

But no General Assembly can make any change in the drastic situation in which we now find ourselves until *first* we change the Constitution of Tennessee so that these actions become legally possible.

After all, we have been operating on a classified property tax system in Tennessee for the last 100 years . . . 55 years before Frank Clement was born.

I say to you, let us take this step toward amending our Constitution so that no taxpayer, large or small, and especially the small, is treated unfairly at the hands of the tax collector.

There are certain other specific measures in this connection that I am proposing to the members of the General Assembly:

You will find before you during this extraordinary session a proposed Constitutional Amendment exempting from taxation a portion of the value of the homes of our senior citizens . . . those persons 65 years of age and over.

Because of this special session, you and I now have the opportunity to help these older citizens and make it possible for them to have tax relief on their homes.

I urge that you pass this measure so that it can be submitted to the voters in November and that this relief will not be unnecessarily delayed.

I further propose that this General Assembly initiate action which would ultimately provide the same type tax relief for *every* home owner in Tennessee, regardless of age.

This amendment would make it possible for a future legislature to frame a general homestead exemption law, with the amounts and specifics of such a law to be determined by the General Assembly which enacts it.

But help for those 65 and over is within our grasp, requiring only favorable action on your part now, ratification by the voters in November and enactment of a homestead exemption by the next General Assembly in January of next year.

I urge you to look favorably on both these measures.

Now, there are certain actions which duty demands that we take now.

With your permission, I will appoint a Tax Study Commission to review the complete administrative procedure in the assessment and equalization of property in the state.

I will ask the Tax Study Commission to determine the level of assessment of public utilities in Tennessee. Those expert in the field say that utilities are not being assessed at 100 per cent of value and that the assessment level may vary from 40 to 80 per cent. We must know the facts.

Without question, many parcels of property are not presently even on the tax rolls. I recommend to you that the state finance aerial mapping for every jurisdiction not now having such maps so that all property be fairly and accurately recorded for tax purposes. This can be started immediately.

I recommend that the State Board of Equalization, in conjunction with the Tax Study Commission, make checks to determine the relative levels of assessments between various classes of property in each taxing jurisdiction.

I recommend that you appropriate monies for the purpose of making low interest loans to counties and cities which may be seriously affected by loss of revenues from our present situation.

These remarks, to this point, have dealt with the setting in motion of processes to bring order, equity and stability to our tax procedures.

You will also find included in the call of this special session an item dealing with ratification of the 25th amendment to the Constitution of the United States as it relates to presidential succession.

Admittedly, there is some variance of opinion over the authority of this body to act on the matter.

It has remained in the call at the request of the leadership of the legal profession, and should receive such action as your legislative judgment deems necessary.

I can only say that it is an amendment to the Constitution of the United States which is badly needed.

Now, while this Legislative body is in session, with all of the powers attendant to it, there is a fact that we cannot overlook.

There is the fact that every citizen of this state is dependent, directly or indirectly, on the governmental services which we provide.

Some are more dependent than others.

Our elderly citizens depend strongly on governmental services.

Our blind depend strongly on governmental services.

The mentally ill and mentally retarded children depend strongly on governmental services.

State employes who are underpaid and by technical definition fall into the poverty class are depending on us.

Our school teachers, admittedly underpaid, are depending on us.

So I have included in the call of this General Assembly certain items aimed at assisting these and other groups of our fellow citizens.

"Why now," it has been asked. "Why not wait until next year when the next regular session of the Legislature meets?" it has been asked.

Well, let me answer this way.

If you were drawing a welfare check of \$80 a month, and you wouldn't be drawing it if you didn't need it, and if the money was available to raise that that check to \$90 a month, would you want the check raised next year or would you want it raised as soon as possible.

If you have a loved one in Central State Hospital, one of our mental hospitals, and that loved one was in a building that needed a fire escape, would you want the fire escape build next year or would you want it built as soon as possible.

If you were a college president and you were about to lose one of your best professors because he could make more money at another college in another state would you want to wait until next year to raise his salary or would you want to raise it as soon as possible.

If you were a school teacher, with the same bills and expenses as everyone else but not as much pay as a lot of other people, would you want a pay raise next year or would you want it as soon as possible?

I could go on and on, but the answers are obvious.

Do it now!

And if by providing these services now . . . with money collected from the people and which belongs to the people, we are interfering with the political plans of any individual or group, I say let them be interfered with.

You have only to notice the direction from which the cries of anguish are coming to determine whose political bunions are smarting.

Let the political winds blow.

Let the political partisans howl.

Let the election year storm rage.

Let us . . . you and I . . . calmly stand our ground and do those things which should be done for the benefit of all Tennesseans.

This money was intended to be used for the people, it was collected from the people, and I solicit your support and endorsement in putting it to proper use.

The proposals I am about to present to you have been carefully studied and have been drafted with prudence and caution.

If you see fit to enact these programs now, when they are needed, you will be placing no unfair burden on any governor who may succeed me or any future session of the General Assembly.

These programs are fiscally sound, and it will be completely possible for any future governor and General Assembly to continue them *without* the necessity for any additional taxation or any extension of existing taxes.

These are workable programs which can be continued within present state income.

Tennessee and the rest of the nation are now enjoying the longest continuous upswing in economic growth that any of us have experienced during our lifetimes.

The budget report which will be placed on your desks presents an up-to-the-minute analyses of our fiscal affairs.

By the close of the current fiscal year, we will have accumulated some

\$17 million dollars in unappropriated funds over the estimates made in 1964.

Beginning July 1, 1966, and terminating June 30, 1967, we anticipate that this continued growth in revenues will produce some \$20 million dollars in the general fund over and beyond the amount already budgeted, or a total of \$37 million dollars.

Here is how I propose that those funds be used.

There was a *zero* hour in mental health in Tennessee—and it was not many years ago.

But from the low status of not even the existence of a separate Department of Mental Health—it was only an adjunct of a penal institutions department—we began in 1953 the long road of upward progress.

We have had remarkable advances.

We are experiencing continuing needs.

The *question* may arise as we talk money to meet some of these immediate needs:

“How much?”

The answer is:

“Every dollar that the distinguished and capable Commissioner of Mental Health says he needs and can wisely use at this time—plus a few dollars more.”

I am proposing, therefore, a two-fold program for meeting the more heart-disturbing needs in this area.

Needs, for example, of those hundreds of children who need and who deserve to be cared for in our institutions for the mentally retarded.

Needs, for example, of those requiring psychiatric care whose struggle for restoration to normal life still goes on, and is yet blessed with light and hope.

I, therefore, recommend to you ladies and gentlemen of this 84th General Assembly, an additional appropriation of \$2 million for improved mental health services and an appropriation of \$2,123,000 for maintenance and capital outlay projects in the mental health program, a total of \$4,123,000.

Included in the recommended funds are proposals for additional personnel.

Analysis of current operations indicates the need for at least 120 additional psychiatric aides for an improved treatment program and for approximately the same number of persons to provide an improved house-keeping and maintenance staff.

At our three older hospitals there is a need for remodeling and renovation of a number of the buildings, both in terms of upgrading the buildings as well as insuring the safety of the patients in case of fire or other disaster.

Equipment and furnishings need to be upgraded at these older institutions and our budget contemplates meeting this need also.

In the area of capital outlay, I propose that \$1,500,000 of the above amount be made available for supplementing the appropriation for the construction of the mentally retarded facility in West Tennessee.

Details of the mental health progress that we propose will be contained in appropriations measures which will be submitted to you.

Whenever legislators assemble—

Whenever taxpayers gather—

The most likely subject for No. 1 monetary consideration is public education.

Biennium after biennium its appropriations have escalated—and the ride is still upward.

It's our good fortune that we can keep it that way.

Slightly less than a score years ago, in Tennessee the legislative appropriation in total was \$68 million.

For the coming year, it will reach \$236 million.

To which it now becomes our ability and obligation and opportunity at this special session to add these additional monies:

Additional money for teachers' salaries in the amount of \$6,600,000.

Under programs which I presented to the 1963 General Assembly and to you ladies and gentlemen in 1965, teachers' salaries were increased \$1,000 per year over the four year period.

The additional appropriation, together with funds presently available, would add another \$250 per year per teacher to that amount, making the average teacher's salary in Tennessee \$5,800 a year.

For the teachers' retirement system, \$2,500,000, making it possible to

increase the minimum allowance for a retired teacher with 30 years service by \$20 a month.

For higher education, \$1,817,000 to be used for the improvement of faculty salaries.

Recruitment and retention of experienced personnel has become a major problem at all institutions of higher learning, and these salary improvements will allow us to become more competitive and give our young citizens the best possible instructors.

Now comes another moment of great personal gratification.

The opportunity is yours to enact—

Just as it is mine to recommend—

The appropriation of \$3,500,000 to the State Welfare Department for the purpose of taking the great humanitarian step—economically necessary—or increasing by \$10 a month the welfare recipient's check. This will bring us at least an additional \$6,500,000 in federal funds.

In a sense, by so doing, we are righting an action which we did not want to take.

During last year it was necessary for us to take action in our welfare program which resulted in decreasing the amount of the monthly check to certain of our aged citizens.

This action resulted from legislation enacted at the federal level, increasing social security benefits which in turn, under our statutes, required a corresponding reduction in welfare checks to those persons eligible for social security.

I cannot stress too strongly the fact that persons receiving aid through the Welfare Department need and deserve a decent living allowance.

We have made repeated improvements in this field, but the fact remains that the present maximum allowance is \$80 per month.

Not only will this benefit those who are presently receiving less state funds as a result of the social security change, but will additionally grant a cost of living increase to all persons receiving aid through the Welfare Department.

If any people have known the desperation of the decreasing value dollar—it is the welfare recipient.

If any people deserve the increasing manifestation of our concern and regard for them—it is the welfare recipient.

Ten dollars is modest—but it's a comforting mountain to those who need it.

Just as a ride over the Interstate in Tennessee could be a lengthy one—so could any discussion of highway progress in Tennessee by a lengthy one.

If we said but one thing about it tonight—we could in pride and accuracy say this:

“We are ahead of schedule.”

Now another opportunity is upon us to augment this spectacular development of the highway system in Tennessee.

We can step up our federal aid programs through the appropriation of additional money.

I am recommending, therefore, the appropriation of \$9 million of the funds which will be accumulated during the present fiscal year and which may not be built into continuing programs, but made available for highway construction purposes.

With the addition of this amount of funds, it will be possible for us to move forward immediately in our urban, primary, and interstate programs as well as giving some attention to those projects which are financed one hundred per cent through state funds.

With \$9 million of state money, we will be able to get some \$21 million in matching federal funds thereby permitting us to increase our overall highway construction program during the coming year by a minimum of \$30 million.

Because more than 5,000 state employees are making less than \$3,000 a year—and that puts them in the *poverty* bracket as defined by the President's Council of Economic Advisors.

I, therefore, recommend that we appropriate \$3,250,000 to increase the range of those salaries, and to assure that state employees be paid no less than the minimum wage.

In this line, I will raise the salaries of employees of the workshops for the blind to a minimum of \$1 per hour.

In these brief moments I have summarized a more complete message to you which has been placed on your desks.

We have before us the duty of acting on the system of taxation in Tennessee, the primary reason we are here assembled.

We have before us the opportunity of using for the benefit of hundreds of thousands of Tennesseans funds unexpected and unspent.

I have complete confidence in your ability, your judgment and your willingness to do those things which must and should be done.

This session may become known in state history as the session devoted to "the little man."

If so, let it be.

Neither the little man nor the big taxpayer is the target of discriminatory desires on our part.

It's the end of discrimination that we seek.

Thereupon, the purpose for which the Joint Convention was called having been accomplished, Mr. President Maddux declared the convention dissolved.

The Senate repaired in a body to the Senate chamber.

The House was called to order by Mr. Speaker Barry.

On motion, the roll call was dispensed with.

SELECT COMMITTEE APPOINTMENT

Mr. Speaker Barry appointed a committee composed of Messrs. Jenkins, Chairman, Cummings, Lane, Gracey, Aderhold and Mrs. Anderson to represent the House at a memorial service for Senators Atkins, Guffey and Mathis to be held in the Senate Chamber at 10:00 A.M. tomorrow.

INTRODUCTION OF RESOLUTIONS

By Messrs. Moore (of Sullivan), Worley and Torbett, House Joint Resolution No. 3—Relative to memory of W. A. S. Furlow.

Under the rules the resolution lies over.

By Messrs. Gillock, McNeil, Williams, Smith, Burch, Bradley, Farmer, Atchley, Cummings, Bragg, Crooks, Fargarson, Stanton, Cobb, Maxwell, Ewell, Blanton, Bell, Willis, Garner, Brode, Michael, Carter (of Washington), Richardson, Neese, Webster, Davis (of Madison), Hooper, Allen, Asbury, Galbreath, Stanley, Scurlock, Miller, Neal, Dooley, Midyett, Cook, Atkinson, Mrs. Anderson and Mrs. Strong, House Joint Resolution No. 4—Related to proposed amendment to Section 28, Article II, Constitution of Tennessee.

Under the rules, the resolution lies over.

INTRODUCTION OF BILLS

By Mr. Speaker Barry, Cummings, Bell and Givens, House Bill No. 1—To amend Section 10, Chapter 76, Public Acts, 1965.

Passed first reading.

By Mr. Speaker Barry, Cummings and Givens, House Bill No. 2—To crease tax study commission.

Passed first reading.

By Mr. Speaker Barry, Cummings, Bell and Givens, House Bill No. 3—To amend Section 49-1552, Code.

Passed first reading.

By Mr. Speaker Barry, Cummings and Givens, House Bill No. 4—To make supplemental appropriations.

Passed first reading.

By Mr. Speaker Barry, Cummings and Givens, House Bill No. 5—To authorize lending funds to political subdivisions.

Passed first reading.

RESOLUTIONS LYING OVER

House Joint Resolution No. 2—Relative to open and public hearings of all committees.

The Speaker referred House Joint Resolution No. 2 to Committee on Committees, which Committee shall, under the rules, act as a Rules Committee.

On motion, the House adjourned until 9:30 A.M. tomorrow.

WEDNESDAY, MARCH 16, 1966

THIRD DAY

The House met at 9:30 A.M. and was called to order by Mr. Speaker Barry.

The proceedings were opened with prayer by Reverend Andrew L. Porter, Pastor, Pleasant Green Missionary Baptist Church, Nashville, Tennessee.

On motion, the roll call was dispensed with.

On motion, the reading of the Journal was dispensed with.